



Presentation to Senate Finance, Ways & Means Committee

Re: State Debt
Justin P. Wilson, *Comptroller*
February 15, 2011



Tennessee Constitution

Article II, Section 24

No debt obligation, except as shall be repaid within the fiscal year of issuance, shall be authorized for the current operation of any state service or program, nor shall the proceeds of any debt obligation be expended for a purpose other than that for which it was authorized.



Types of Debt

Bonds

Commercial Paper – maturity less than 270 days



Issuers of Debt

State Funding Board – General Obligation Debt

Tennessee Local Development Authority (TLDA)

Tennessee State School Bond Authority (TSSBA)

Tennessee Housing Development Agency (THDA)



State Funding Board

General Obligation Debt- backed by “full faith, credit and taxing power”

TCA Section 9-9-112 : The full faith and credit of the state are hereby pledged to the payment of the principal of and interest on all bonds issued under authority of this chapter [9] . . . , and when issued they shall be direct, general obligations of the state of Tennessee, payable as to both principal and interest from any funds or moneys of the state, from whatever source derived, further secured by the pledges of special revenues as provided in § [9-9-103](#), and all obligations issued under such chapters shall be exempt from taxation by the state, or by any county, municipality or taxing district of the state, except inheritance, transfer and estate taxes.



State Funding Board

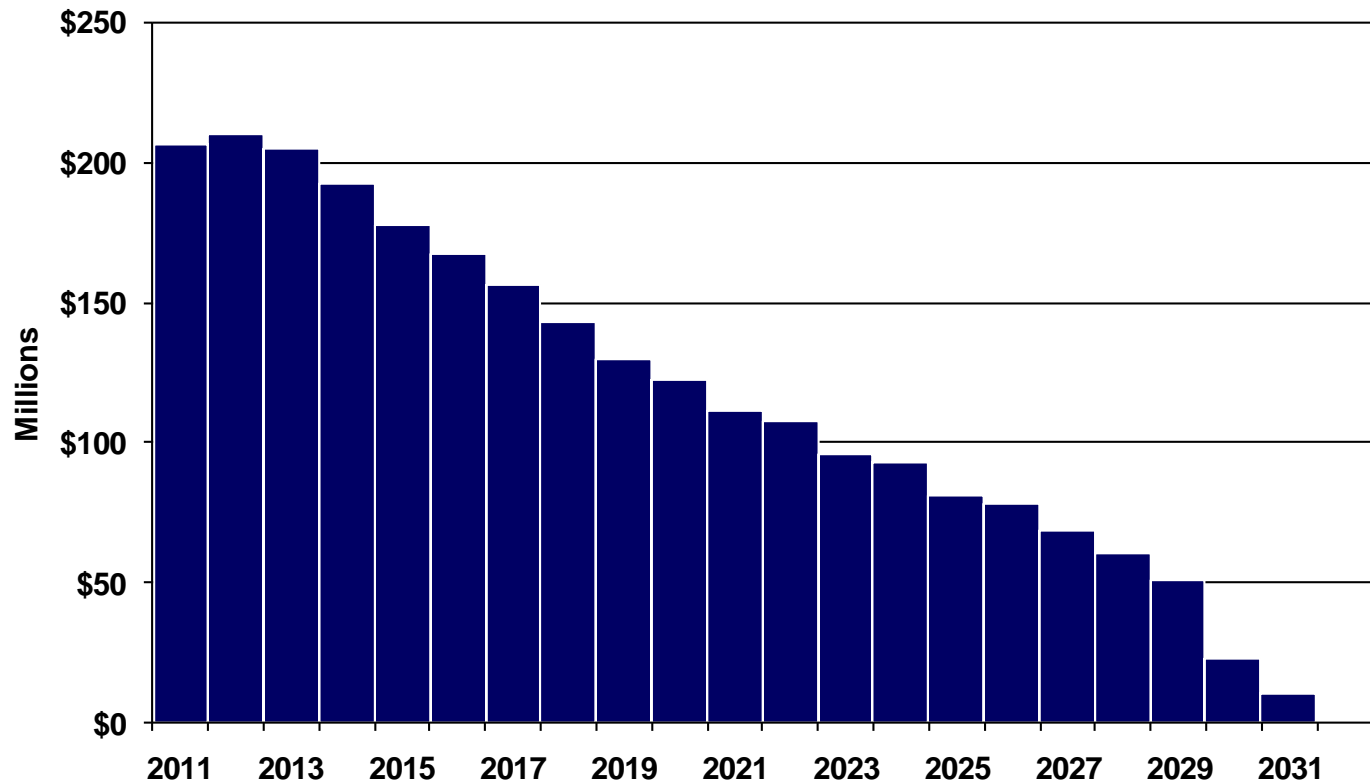
General Obligation Debt

December 31, 2010	
General Obligation Bonds Outstanding	\$ 1,736,180,000
General Obligation Commercial Paper Outstanding	\$123,585,000



State Funding Board

Debt Service Payments FY 2011 - 2031





Debt Capacity

Pursuant to TCA § 9-9-104, Tennessee's debt capacity is measured in terms of maximum annual debt service

Tennessee ranks 46th in debt per capita, leaving sufficient debt capacity for future needs.



Tennessee Local Development Authority

December 31, 2010	
Bonds Outstanding	\$ 10,475,000
(Number of loans: 47)	



Tennessee State School Bond Authority

Higher Education Facilities Program

December 31, 2010	
Bonds Outstanding	\$ 1,066,473,000
Commercial Paper Outstanding	\$ 111,066,000
(Number of loans: 287)	



Tennessee State School Bond Authority

Primary/ Secondary Education Programs

December 31, 2010	
Qualified Zone Academy Bonds Outstanding	\$ 57,210,000
(Number of loans: 23)	
Qualified School Construction Bonds Outstanding	\$ 389,440,000
(Number of loans: 28)	
Total	\$ 446,650,000



Tennessee Housing Development Agency

December 31, 2010	
Mortgage Revenue Bonds Outstanding (1974/1985 Resolutions)	\$ 1,692,935,000
New Issue Bond Program Outstanding (2009 Resolution)	\$ 513,830,000
Total	\$ 2,206,765,000



Total State Indebtedness

December 31, 2010	
Total Short-Term Debt	\$ 234,651,000
Total Long-Term Debt	\$ 5,466,543,000
Total State Indebtedness as of December 31, 2010 *	\$ 5,701,194,000

* Excludes the State Revolving Loan Fund Programs for Local Governments.



Debt Ratings*

Issuer	Bond	Commerical Paper
State Funding Board	Aaa/AA+/AAA	P-1/A-1+/na
TLDA	Aa3/AAA/AA	
TSSBA	Aa2/AA/AA+	P-1/A-1+/na
THDA	Aa2/AA/na (1985 Res.) Aa2/na/na (2009 Res.)	

* Moody's/Standard & Poor's/Fitch



Tennessee Local Development Authority

State Revolving Loan Programs

December 31, 2010	
Clean Water (Sewerage)	\$ 560,824,246
(Number of loans: 197)	
Drinking Water	\$ 86,823,934
(Number of loans: 74)	



Justin P. Wilson, *Comptroller*

Secretary, State Funding Board

<http://www.tn.gov/comptroller/bf/bfsfb.htm>

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